

# Trump Executive Orders: What to Do If Your Contract or Grant Is at Risk

## Client Alerts

January 22, 2025

By: David Robbins, Matthew L. Haws

Within hours of being sworn in, President Trump issued executive orders that may imperil a number of government contracts and grants. This alert covers what contractors and grant recipients should do if they are concerned about the continued viability of their federal funding.

## The Executive Orders

- **Unleashing American Energy** – This Executive Order, at Section 7, Terminating the Green New Deal, directs all agencies to “immediately pause the disbursement of funds appropriated through the Inflation Reduction Act of 2022 (Public Law 117-169) or the Infrastructure Investment and Jobs Act (Public Law 117-58)” and review their “processes, policies, and programs for issuing grants, loans, contracts, or any other financial disbursements of such appropriated funds for consistency with the law and [the policy goals outlined in the Executive Order].” Funds may be disbursed again once “the Director of OMB and Assistant to the President for Economic Policy have determined that such disbursements are consistent with any review recommendations they have chosen to adopt.”
- **Ending Radical and Wasteful Government DEI Programs and Preferencing** – This Executive Order calls for a coordinated effort to terminate “all discriminatory programs, including illegal DEI and ‘diversity, equity, inclusion, and accessibility’ (DEIA) mandates, policies, programs, preferences, and activities in the Federal Government, under whatever name they appear.” This includes terminating “to the maximum extent allowed by law” relevant grants or contracts. The Executive Order also includes a demand for agencies to provide the Office of Management and Budget director a list of all federal contractors that provided DEI training or training materials to the federal government, and all federal grantees that received funds to provide or advance DEI or “environmental justice” programs, services, or activities over the past four years.

These are early efforts of the new administration to remake the federal government contracting and grants landscape, and as such, they are of great interest to recipients of federal funds. We expect this will be the first of many efforts to impact ongoing government expenditures. Retroactively

changing or terminating contracts and grants is likely to be a consistent theme in the coming months.

## **How to Protect Your Organization**

Organizations concerned about the viability of their government-funded programs, or the impact of Executive Order-driven payment freezes, are well advised to take the following steps.

### **1. Review Your Contract(s) and/or Grant(s)**

First, gather up your contract or grant file. The contract or grant itself will tell you whether the government has the power to terminate the grant and what sorts of pauses the government can require during this review process. While the government can generally terminate contracts for no reason at all (i.e., for convenience), grants are a bit more nuanced. Some grants provide the ability to terminate, while others do not. Some grants are fully disbursed. Others are not. Similarly, where government contracts have well defined ways that the government may stop work, grants are less uniform.

### **2. Review Near-Term Deliverables and Government Input**

Second, review from a business perspective what actions are required under the relevant contracts and/or grants in the near term. Do they require government input? What about the cadence of government payment? “Disbursements” is a broad term that could potentially include routine payments of invoices. Plan for disruption in government payments/disbursements, including reviewing available lines of credit. And determine what impacts to program schedule are likely to occur if the government slows its decision making.

### **3. Engage Qualified Counsel**

Third, engage qualified counsel. This is a challenging area of government contracts and grants law. Even if grants or contracts are not terminated, government inaction during this period could grind progress to a halt (perhaps irreparably, depending on the program). Qualified counsel can assist you with, among other things, the following:

- a. Getting your program back on schedule;
- b. Securing extra time or money to pay for government-driven disruptions;
- c. Bringing agency level disputes or appeals;
- d. Seeking injunctive relief in court to prevent government interference; and
- e. Seeking recovery for contract or grant termination costs, should that be necessary.

## **Conclusion**

These are uncharted waters, but there are tried-and-true techniques to help contractors and grant recipients navigate through them. There is no single path forward. Instead, companies need to be highly strategic in how they address these early efforts to review and potentially claw back government funds. Engaging qualified counsel, well versed in these topics, is of vital importance.

## Related Attorneys



### **David Robbins**

Partner

[drobbins@jenner.com](mailto:d Robbins@jenner.com)

+1 202 639 6040



### **Matthew L. Haws**

Partner

[mhaws@jenner.com](mailto:mhaws@jenner.com)

+1 202 639 6065

## Related Capabilities

Government Contractor Litigation and Compliance

© 2026 Jenner & Block LLP. Attorney Advertising. Jenner & Block LLP is an Illinois Limited Liability Partnership including professional corporations. This publication, presentation, or event is not intended to provide legal advice but to provide information on legal matters and/or firm news of interest to our clients and colleagues. Readers or attendees should seek specific legal advice before taking any action with respect to matters mentioned in this publication or at this event. The attorney responsible for this communication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a

similar outcome. Jenner & Block London LLP, an affiliate of Jenner & Block LLP, is a limited liability partnership established under the laws of the State of Delaware, USA and is authorised and regulated by the Solicitors Regulation Authority with SRA number 615729. Information regarding the data we collect and the rights you have over your data can be found in our Privacy Notice. For further inquiries, please contact [dataprotection@jenner.com](mailto:dataprotection@jenner.com).

**Stay Informed**

